## Message Text

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**ACTION EUR-12** 

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-01 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 SAJ-01 DODE-00 PM-03 H-02

L-02 NSC-05 PA-01 PRS-01 SS-15 USIA-06 NIC-01 /084 W ...... 073724

R 241409Z MAR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9549

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

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E.O. 11652: N/A TAGS: UK, EEC

SUBJECT: IF THE BRITISH PEOPLE VOTE NO

REF: LONDON 4010

L. SUMMARY: REFTEL REVIEWED THE CONSEQUENCES FOR BRITAIN IF IT WITHDRAWS FROM THE EC. THIS MESSAGE BACKS UP A STEP AND ADDRESSES ITSELF TO THE LIKELY DOMESTIC POLITICAL CONSEQUENCES OF THE REFERENDUM ITSELF. IF THE OUTCOME IS POSITIVE, BRITAIN WILLIREMAIN IN AND THE ISSUE WILL BE SETTLED. IF THE LIMITED OFFICIAL USE

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OUTCOME IS DECISIVELY NEGATIVE, THERE WILL BE A SYIFZ

TO THE LEFT WITHIN THE LABOR PARTY, BUT THE GOVERNMENT WILL HOLD AND WILL BRING BRITAIN OUT. IF THE OUTCOME IS ONLY MARGINALLY NEGATIVE, THERE IS A STRONG PROBABILITY THAT THE GOVERNMENT WILL LACK THE STRENGTH TO BRING BRITAIN OUT AND MAY FALL, THEREBY PLUNGING THE COUNTRY INTO SEVERE POLITICAL TURMOIL. AN OUTSIDE POSSIBILITY IS THAT THE LABOR GOVERNMENT MAV TEAR ITSELF TO PIECES AND FALL BEFORE THE REFERENDUM IS EVER HELD. END SUMMARY.

- 2. IF THE FORTHCOMING EC REFERENDUM YIELDS A FAVORABLE VERDICT, EVEN ON A LOW TURNOUT AND/OR BY A NARROW MARGIN, THE RESULT WILL BE DECISIVE. BRITAIN WILL REMAIN A MEMBER OF THE EC, AND THE QUESTION OF MEMBERSHIP WILL FADE AS A DIVISIVE DOMESTIC ISSUE. THIS IS SO, NOT BE-CAUSE THE ANTI-MARKETEERS ARE BETTER SPORTS THAN THE PRO-MARKETEERS, BUT BECAUSE, HAVING INSISTED ON HOLDING A REFERENDUM, THEY ARE HONOR-BOUND TO ABIDE BY ITS OUTCOME. ANTI-MARKET RIGHT- AND LEFT-WINGERS ALIKE HAVE SAID AS MUCH. FURTHERMORE, CONTINUED MEMBERSHIP, UNLIKE WITHDRAWAL, REQUIRES NO FURTHER PARLIAMENTARY ACTION. THE MATTER WILL BE SETTLED.
- 3. IF, HOWEVER, THE REFERENDUM YIELDS A NEGATIVE VER-DICT, A WIDE RANGE OF POSSIBILITIES OPENS UP. OBVIOUSLY THE MORE DECISIVE THE OUTCOME (I.E., THE GREATER THE TURNOUT AND THE HIGHER THE MARGIN), THE MORE LIKELY IT IS THAT THE GOVERNMENT AND PARLIAMENT WOULD FEEL OBLIGED TO BOW TO THE EXPRESSED WILL OF THE ELECTORATE AND TO TAKE THE NECESSARY STEPS TO WITHDRAW THE UK FROM THE EC. ALL BUT A HANDFUL OF LABOR MPS CAMPAIGNED IN THE LAST QENERAL ELECTION ON A PLATFORM THAT PLEDGED THEM IN EFFECT TO CONSULT THE ELECTORATE ON THIS ISSUE AND TO ACCEPT ITS VERDICT AS BINDING. THEREFORE, IF THE REFER-ENDUM OUTCOME IS DECISIVELY NEGATIVE, MOST LABOR MPS, SUPPORTED BY THE ULSTER UNIONISTS, SCOTTISH NATIONALISTS, AND A HANDFUL OF CONSERVATIVES, WILL DUTIFULLY ENACT THE LEGISLATION REQUIRED TO TAKE BRITAIN OUT OF THE EC. THERE WILL BE OTHER CONSEQUENCES, OF COURSE, ESPECIALLY FOR THE LABOR PARTY: SHIRLEY WILLIAMS WILL LEAVE LIMITED OFFICIAL USE

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POLITICS, ROY JENKINS WILL LEAVE THE CABINET, THE CENTER

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OF GRAVITY IN THE LABOR PARTY WILL SHIFT TO THE LEFT, AND HAROLD WILSON'S AUTHORITY AS LEADER WILL BE DIMINISHED, BUT THROUGH IT ALL THE PARTY WILL HOLD TOGETHER AND THE GOVERNMENT REMAIN IN POWER.

4. A THIRD AND LESS PREDICTABLE SCENARIO COMES INTO FOCUS, HOWEVER, IF ONE POSTULATES A MARGINALLY NEGATIVE OUTCOME FOR THE REFERENDUM, I.E. AN OUTCOME BASED ON A LOW TURNOUT OF VOTERS OR A NARROW MAJORITY. IN THAT CASE, A SIZEABLE NUMBER OF LABOR PRO-MARKETEERS WOULD BE SORELY TEMPTED TO IGNORE THE VERDICT, ESPECIALLY IF, AS APPEARS INCREASINGLY LIKELY, THE CAMPAIGN IS A BITTER LIMITED OFFICIAL USE

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ONE. IF THEY CAN RATIONALIZE TO THEMSELVES THAT THE MARGIN OF VICTORY WAS PROVIDED BY ULSTER BIGOTS, SCOTTISH SEPARATISTS, COMMUNISTS, AND NATIONAL FRONT FASCISTS, OR THAT THE ANTI-MARKET CAMPAIGN WAS "UNFAIR," THEY MIGHT WELL SUPPORT CONSERVATIVE/LIBERAL EFFORTS TO BLOCK WITH-DRAWAL, EVEN AT THE RISK OF BRINGING DOWN THE GOVERNMENT. AT THAT POINT, BRITAIN WOULD BE PLUNGED INTO POLITICAL TURMOIL UNPRECEDENTED IN MODERN TIMES, WITH UNPREDICTABLE AND SERIOUS CONSEQUENCES FOR THE FUTURE STABILITY AND DIRECTION OF THE COUNTRY.

5. FINALLY, IN REVIEWING THE VARIOUS POSSIBLE OUTCOMES OF THE EC REFERENDUM, ONE MUST AT LEAST TAKE NOTE OF YET ANOTHER POTENTIAL EVENTUALITY -- AN EVENTUALITY THAT WAS SCARCELY CONCEIVABLE EVEN A WEEK AGO -- NAMELY, THAT THE LABOR GOVERNMENT MIGHT TEAR ITSELF TO PIECES AND FALL BEFORE A REFERENDUM IS EVER HELD. WILSON, CALLAGHAN, AND THE PRO-MARKETEERS IN THE CABINET OBVIOUSLY MIS-CALCULATED. ASSURED OF TWO TO ONE SUAPPORT IN THE CABINET, THEY ASSUMED THAT THE PARLIAMENTARY LABOR PARTY WOULD FALL INTO LINE BY ROUGHLY THE SAME MARGIN. AND THAT THE LABOR PARTY ORGANIZATION WOULD REMAIN NEUTRAL IN THE CAMPAIGN. INSTEAD THE PLP HAS SPLIT RIGHT DOWN THE MIDDLE, AND THE GOVERNMENT FINDS ITSELF CON-FRONTED WITH THE PROSPECT OF BEING ACTIVELY OPPOSED DUR-ING THE REFERENDUM CAMPAIGN BY ITS OWN LABOR PARTY ORGANIZATION. BITTER CHARGES AND PERSONAL ATTACKS HAVE ALREADY BEEN MADE BY BOTH SIDES WITHIN THE LABOR PARTY, AND THE CAMPAIGN STILL HAS ALMOST THREE MONTHS TO RUN. UNLESS WILSON CAN OUICKLY REASSERT HIS AUTHORITY AND IMPOSE SOME DISCIPLINE, IT IS A REAL QUESTION WHETHER HIS GOVERNMENT CAN SURVIVE THE STRAIN OF SUCH A CAMPAIGN. MORE AND MORE, THOSE WHO WARNED OF THE FOLLY OF SEEKING TO FINESSE AN INTERNAL PARTY SPLIT BY MEANS OF A NATIONAL REFERENDUM ARE FINDING THEIR APPREHENSIONS ALL TOO JUSTIFIED.

**SPIERS** 

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## Message Attributes

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